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U.S. Magnesium plans big Utah production expansion

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A new ruling by the International Trade Commission that determined China and Russia have dumped magnesium into the United States should pave the way for a massive expansion of U.S. Magnesium's plant in Rowley.

The ruling by the ITC and the U.S. Department of Commerce last week will allow U.S. Magnesium to benefit from nearly \$50 million in capital improvements made to its Rowley plant over the past five years, according to the company.

And just as importantly, it will allow the company to boost its annual production of magnesium from 43,000 tons to approximately 55,000 tons by the end of this year, U.S. Magnesium spokesman Lee Brown said. "Once unfair trade is removed from the marketplace we'll be able to compete with anyone."

U.S. Magnesium, the last remaining primary producer of magnesium left in the country, along with the United Steelworkers of America Local 8319 and the Glass, Molders, Pottery, Plastics and Allied Workers International Local 374, last year filed a complaint with the U.S. Department of Commerce alleging that Russian and Chinese exporters were dumping their product into the domestic market at less than fair value.

They blamed those imports for pushing down the price of magnesium by 40 percent.

A year-long investigation established that U.S. Magnesium's complaints were true and the government soon will impose additional duties ranging from 50 percent to more than 140 percent for each ton of magnesium shipped into the United States from China.

Russian producers will face additional duties ranging from approximately 19 percent to 22 percent.

The purpose of the anti-dumping duties is to offset the unfair competitive advantage foreign exporters enjoy as a result of selling their products in the United States at less than fair value, said Joseph Dorn, a Washington, D.C.-based attorney that represented the company and unions in the trade case.

Before those anti-dumping duties can be imposed, though, the orders establishing the additional import duties need to be published in the *Federal Register*, which should occur in early April.

"These duties will help preserve the industry's production base in this country," Dorn said.

Brown said at the very least the duties will help preserve the jobs of U.S. Magnesium's approximately 400 employees and secure the company's future.

Magnesium, which is primarily used to produce aluminium alloys that are stronger than the pure metal, currently sells on the spot market for approximately \$1.50 per pound.

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